



U.S. Immigration  
and Customs  
Enforcement

February 2, 2006

# News Release

## **FORMER DEFENSE CONTRACTOR PLEADS GUILTY TO PARTICIPATING IN BRIBERY, FRAUD AND MONEY LAUNDERING SCHEME IN IRAQ**

WASHINGTON, D.C. - Robert J. Stein, a former U.S. Department of Defense (DOD) contractor, pleaded guilty today to charges of conspiracy, bribery, money laundering, unlawful possession of machine guns, and being a felon in possession of a firearm in connection with a scheme to defraud the Coalition Provisional Authority - South Central Region (CPA-SC) in Al-Hillah, Iraq, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

Stein, 50, of Fayetteville, N.C., entered his pleas of guilty this morning before Judge Colleen Kollar-Kotelly at the U.S. District Court of the District of Columbia.

At today's hearing, Stein admitted that, beginning in about December 2003 while serving as the comptroller and funding officer for the CPA-SC, he -- along with other public officials, including several U.S. Army officers -- conspired to rig the bids on contracts being awarded by the CPA-SC in order to steer contracts to a co-conspiring contractor. According to a document filed in U.S. District Court and agreed to by Stein, the total value of the contracts awarded to Stein's co-conspirator in Al Hillah exceeded \$8 million.

Stein also admitted today that he and others received bribes exceeding \$1,000,000 in money, cars, jewelry and other items of value from the co-conspirator contractor in return for using their official positions to award contracts to that contractor and his companies.

In addition, Stein admitted that he and others stole over \$2,000,000 of currency that had been designated to be used for the reconstruction of Iraq and smuggled a portion of that stolen currency into the United States aboard commercial aircraft. Stein also pleaded guilty to the unlawful possession of various weapons including machine guns, silencers and grenade launchers, and as a convicted felon, he pleaded guilty to a charge of being a felon in possession of a firearm.

Stein faces a maximum penalty of 30 years in prison, a five-year term of supervised release, and a fine of \$250,000. He presently remains in custody. A sentencing date has not yet been scheduled.

Others arrested and charged in connection with this investigation include:

- Philip Bloom, a U.S. citizen living in Romania and Iraq, and the owner and operator of numerous construction and service companies doing business in Iraq, was arrested Nov. 13, 2005 on a criminal complaint charging him with conspiring to commit money laundering and wire fraud. Bloom remains in custody.
- Michael Wheeler of Amherst Junction, Wis., a Lieutenant Colonel in the United States Army Reserves, was arrested Nov. 30, 2005 on a criminal complaint charging him with of conspiring to commit bribery, money laundering, possession of automatic weapons, theft, and wire fraud. He is presently released on bond.
- Debra Harrison of Trenton, N.J., also a Lieutenant Colonel in the United States Army Reserves, was arrested Dec. 15, 2005 on a criminal complaint charging her with conspiracy, bribery, interstate transportation of stolen property and money laundering. She is presently released on bond.

These cases are being prosecuted by Trial Attorneys Mark Yost and Patrick Murphy of the Asset Forfeiture and Money Laundering Section, headed by Section Chief Richard Weber; and Trial Attorneys James A. Crowell IV and Ann C. Brickley of the Public Integrity Section, headed by Acting Section Chief Andrew Lourie, all of the Department of Justice, Criminal Division.

These cases are being investigated by Special Inspector General for Iraq Reconstruction, Internal Revenue Service Criminal Investigations Division, U.S. Immigration and Customs Enforcement at the Department of Homeland Security, U.S. Department of State Office of Inspector General, and the Federal Bureau of Investigation-Washington Field Office.

# ICE #

*U.S. Immigration and Customs Enforcement was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of four integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.*